

Minutes of the Meeting of October 28, 2016

of the

MASSACHUSETTS TEACHERS' RETIREMENT BOARD

I. Regular Matters of Business

In attendance at this regular meeting of the Massachusetts Teachers' Retirement Board ("the Board") were Chairman Jeff Wulfson, Vice Chair Nicola Favorito, Jacqueline A. Gorrie, Richard L. Liston, Dennis J. Naughton, Joannah M. Quinn, Anne Wass, Executive Director Erika Glaster, Assistant Executive Director Sean Neilon, Assistant Executive Director Jon Osimo, General Counsel James Salvie, Disability Case Manager Salvatore Coco and Executive Assistant Helen Petruzzello.

The meeting was called to order at approximately 9:08 a.m.

Having completed a tour of the new office space with the board members, the Chairman expressed appreciation to all staff members for their endurance during the turbulence that office relocation brings and acknowledged the efforts of all who contributed to making it a relatively smooth process.

The minutes of the previous Board meeting, held on September 16, 2016, were reviewed and approved as submitted on a motion made by Ms. Gorrie and seconded by Mr. Favorito. The motion carried 5-0-2, with Mr. Liston and Mr. Naughton abstaining due to their absence from the meeting.

VOTED: The Open and Executive minutes of the Board meeting held on September 16, 2016, are hereby approved as submitted.

II. Executive Session

A motion was made by Mr. Liston, and seconded by Mr. Naughton, to enter into executive session in order to review applications for disability and termination retirement. On roll call, the vote was as follows:

VOTED: Nicola Favorito Yes

Jacqueline A. Gorrie	Yes
Richard L. Liston	Yes
Dennis J. Naughton	Yes
Anne Wass	Yes
Joannah M. Quinn	Yes
Chairman Jeff Wulfson	Yes

At approximately 9:09 a.m. the Board went into Executive Session. The Chairman stated that the Board would return to Open Session.

At approximately 11:27 a.m. the Board reconvened in Open Session.

III. Open Session

A. SECTION 91A POTENTIAL REFUND FOR EXCESS EARNINGS

James O’Leary, Deputy General Counsel joined the meeting to present the hearing officer’s report regarding the potential excess earnings under Section 91A of a disability retiree. Mr. O’Leary distributed an email to the Board from the retiree requesting forgiveness on the debt. On a motion to accept the hearing officer’s recommendation to begin the recoupment process of the excess benefits and offer mutually agreed upon acceptable repayment options, made by Mr. Favorito, and seconded by Mr. Naughton, the board voted unanimously to accept the hearing officer’s report.

B. PROPOSED AMENDMENT TO PENSION FORFEITURE LEGISLATION

Mr. Salvie recommended adding language to the refiling of H. 20, An Act Related to the Forfeiture of Pension Upon Conviction of Child Pornography and Other Offenses, that would better define the effective date of the legislation. On a motion made by Mr. Liston and seconded by Ms. Wass, the board voted unanimously to accept the amendment to the proposed forfeiture legislation.

C. EXECUTIVE DIRECTOR’S REPORT

1. Ms. Glaster noted that included in the Board materials was a Frequently Asked Questions document regarding the Voluntary Separation Incentive

Program ("VSIP") being offered to all executive branch employees from the Governor's Executive Office of Administration and Finance. Ms. Glaster further noted that unlike last year's retirement incentive program, this initiative was available to trust-funded agencies such as the MTRS. However, Ms. Glaster recommended that the agency not participate in the program as involvement would not bring any benefit to the agency and would not result in any cost savings to the Commonwealth. On a motion made by Mr. Naughton, and seconded by Ms. Gorrie, the Board voted unanimously to accept the recommendation of the Executive Director not to participate in the VSIP.

2. Ms. Glaster proposed a meeting schedule for the upcoming Annual System Review and Constituents Forum to be held November 18th. After reviewing it, the Board made some changes to the schedule.
3. Upon Ms. Glaster's request, Mr. Neilon provided additional details to his legislative report concerning three bills filed by the Public Employee Retirement Administration Commission ("PERAC") for the 2017-2018 legislative session.
4. Ms. Glaster asked Mr. Salvie to update the Board on the first meeting of the Pension Forfeiture Commission that he attended. He noted that while the Teachers' Retirement System does not have a representative on the commission, the meeting is open for participation. Mr. Favorito, does serve on the commission as a designate of the State Treasurer and said he would bring forth concerns of the MTRS.
5. Ms. Glaster provided the Board with an update on the Exclusive Benefit Rule issues, including the receipt of the opinion of PERAC's tax counsel, Kutack Rock, issued on October 14, 2016. Staff are discussing factual questions and inconsistencies in the opinion with Ice Miller. The next step is for Ice Miller to issue a memo addressing the areas of disagreement and then request a meeting with representatives of ANF, the Comptroller, MSERS and PERAC to discuss the recommended solutions. The Board stressed their concern, as fiduciaries of the system, with the slow progression and encouraged Board staff to continue their push for a timely resolution.
6. Ms. Glaster informed the Board that she was recently contacted by a professor at Boston University, requesting the agency's participation in his research on public pension systems. She indicated that she would update the Board once the professor provided the details of his request.

7. Ms. Glaster stated her intention to declare a skeleton work force day for the day after Thanksgiving, ensuring that the offices will have sufficient coverage. Additionally, she planned to not grant a skeleton force for Christmas Eve day and New Year's Eve day, citing they fall on weekend days.

On a motion made by Mr. Naughton and seconded by Mr. Liston, the Board voted unanimously to adjourn the meeting at approximately 12:16 p.m.

Respectfully submitted,

Erika M. Glaster, Executive Director

Date

Documents used in MTRS Board meeting of October 28, 2016

- Agenda for October 28, 2016 MTRS Board meeting
- Cover letter from Executive Director
- Open minutes and executive minutes of September 16, 2016 MTRS Board meeting
- Memorandum and supporting documents pertaining to Section 91A Potential refund for Excess Earnings
- Memorandum and supporting documents pertaining to pension forfeiture legislation